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## DEPARTMENT OF COMMERCE

### Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35).

*Agency:* U.S. Census Bureau.

*Title:* Quarterly Services Survey.

*OMB Control Number:* 0607-0907.

*Form Number(s):* QSS-0A, QSS-0E, QSS-1A, QSS-1E, QSS-1PA, QSS-1PE,

QSS-2A, QSS-2E, QSS-3A, QSS-3E, QSS-3SA, QSS-3SE, QSS-5A, QSS-5E, QSS-6A,  
QSS-6E, QSS-7A, QSS-7E, QSS-8A, QSS-8E, QSS-9A, QSS-9E, QSS-4A, QSS-4E,  
QSS-4SA, QSS-4SE, QSS4fA, QSS4fE.

*Type of Request:* Extension of a currently approved collection.

*Number of Respondents:* 23,500.

*Average Hours Per Response:* 13.34 minutes.

*Burden Hours:* 20,900.

*Needs and Uses:* As far back as the 1980s, there was a realization that despite its growing importance and share of Gross Domestic Product (GDP), the service economy was not adequately covered by the existing federal statistics programs. Before the Quarterly Services Survey (QSS) economic indicator existed for the service sector, the only data available were from the Service Annual Survey (SAS) and the five-year Economic Censuses. The decision was made to expand the scope of the Census Bureau's existing annual survey and to create a new principal economic indicator to cover services.

Based on this effort, the QSS is now a major source for the development of quarterly GDP and an indicator of short-term economic change.

With the first release of the QSS in 2004, it became the first new U.S. federal government economic indicator in 30 years. The initial scope of the QSS was driven primarily by the Bureau of Economic Analysis (BEA) priorities and what the budget initiative would allow. The goal was to begin covering the most dynamic sectors of the service economy for which BEA had little to no alternate source data. In the wake of the dot-com bubble in the early 2000s, it was clear that information services and high-tech industries needed to be a priority as BEA experienced major revisions to their GDP estimates as annual data came in later. So, at the time it was launched, QSS produced estimates for just 3 North American Industry Classification System (NAICS) sectors (51, 54, and 56) representing roughly 15% of GDP.

Shortly after the Financial Crisis in 2007-2008, QSS received approval to expand the scope of the survey to match that of the Economic Census of Services. A major part

of this expansion would provide for tracking of the Financial sector which, of course, was now in the spotlight. Between 2009 and 2010, QSS underwent a multi-phased expansion, increasing the total coverage from 3 to 11 NAICS sectors which together account for over 50 percent of GDP.

QSS expanded yet again in 2012 to cover the Accommodation subsector which was the only remaining service industry with no sub-annual coverage.

We currently publish estimates based on the 2007 NAICS. The QSS covers all or parts of the following NAICS sectors: Utilities (excluding government owned); Transportation and warehousing (except rail transportation and postal) services; Information; Finance and insurance (except funds, trusts, and other financial vehicles); Real estate and rental and leasing; Professional, scientific, and technical services; Administrative and support and waste management and remediation services; Educational services (except elementary and secondary schools, junior colleges, and colleges, universities, and professional schools); Health care and social assistance; Arts,

entertainment, and recreation; Accommodation; and Other services (except public administration). The QSS provides the most current reliable measures of total revenue and percentage of revenue by class of customer (for selected industries) on a quarterly basis. In addition, the QSS provides the only current quarterly measure of total expenses from tax-exempt firms in industries that have a large not-for-profit component. All respondent data are received by mail, facsimile, telephone, or Internet reporting.

The total revenue estimates produced from the QSS provide current trends of economic activity in the service industry in the United States from service providers with paid employees.

In addition to revenue, we also collect total expenses from tax-exempt firms in industries that have a large not-for-profit component. Expenses provide a better measure of the economic activity of these firms. Expense estimates produced by the QSS, in addition to inpatient days and discharges for the hospital industry, are used by the Centers for Medicare and Medicaid Services (CMS) to project and study hospital regulation,

Medicare payment adequacy, and other related projects. For select industries in the Arts, entertainment, and recreation sector, the survey produces estimates of admissions revenue.

We will continue to publish no later than 75 days after the end of each calendar quarter.

Reliable measures of economic activity are essential to an objective assessment of the need for, and impact of, a wide range of public policy decisions. The QSS supports these measures by providing the latest estimates of service industry output on a quarterly basis.

Currently, the U.S. Census Bureau collects, tabulates, and publishes estimates to provide, with measurable reliability, statistics on domestic service total revenue, total expenses, and percentage of revenue by class of customer for select service providers. In addition, the QSS produces estimates for inpatient days and discharges for hospitals. In the future, QSS may produce breakdowns of revenue from financial firms. This depends on the quality and amount of data received as well as its reliability and accuracy.

The BEA is the primary Federal user of QSS results. The BEA utilizes the QSS estimates to make improvements to the national accounts for service industries. In the National Income and Product Accounts (NIPA), the QSS estimates allow more accurate estimates of both Personal Consumption Expenditures (PCE) and private fixed investment. For example, recently published revisions to the quarterly NIPA estimates resulted from the incorporation of new source data from the QSS. Revenue estimates from the QSS are also used to produce estimates of gross output by industry that allow BEA to produce a much earlier release of the gross domestic product by industry estimates.

Estimates produced from the QSS are used by the BEA as a component of quarterly GDP estimates. The estimates also provide the Federal Reserve Board (FRB) and Council of Economic Advisors (CEA) with timely information on current economic performance. All estimates collected from this survey are used extensively by various government agencies and departments on economic policy decisions; private businesses; trade organizations; professional associations; academia; and other various business

research and analysis organizations.

The CMS uses the QSS estimates to develop hospital spending estimates in the National Accounts. In addition, the QSS estimates improve their ability to analyze hospital spending trends. The CMS also uses the estimates in its healthcare indicator analysis publication; ten-year health spending forecast estimates; and studies in hospital regulation and Medicare policy, procedures, and trends.

The Medicare Payment Advisory Commission (MedPac) utilizes the QSS estimates to assess payment adequacy in the current Medicare program.

The FRB and the CEA use the QSS information to better assess current economic performance. In addition, other government agencies, businesses, and investors use the QSS estimates for market research, industry growth, business planning and forecasting.

*Affected Public:* Business or other for-profit; Not-for-profit institutions.

*Frequency:* Quarterly.

*Respondent's Obligation:* Voluntary.



*Legal Authority:* Title 13, United States Code, sections 131 and 182.

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov) or fax to (202)395-5806.

Dated: August 11, 2015.

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